Essential Commodities Act, 1955 by the State Governments.

Changes in Banking Rules

2590. SHRI SATISH PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Government's attention has been drawn to the news-item which appeared in the 'Times of India' of 29th July, 1993 captioned "Racket in Refund Orders";

(b) if so, what is the Government's reaction thereto;

(c) what is the total amount of losses incurred by the banks due to this racket; and

(d) whether Government propose to bring changes in banking rules to curb such losses?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Yes, Sir.

(b) to (d) The information is being collected and will be laid on the Table of the House.

UBI instructions for not accepting short term deposits from RRB

2591. SHRI ASHIS SEN: Will the Minister of FINANCE be pleased to state:

(a) whether the United Bank of India has instructed its branches not to take any short term deposits from Regional Rural Banks in excess of their respective balances in current account; if so, whether this has been done with Government's approval;

(b) whether the RRBs will be subjected to loss if they are prevented from deploying their surplus funds in short term deposits instead of keeping them in current account with sponsoring banks; if so, what will be the amount of loss for each one lakh of rupees; and

(c) what is the cost of deposit of RRBs sponsored by the United Bank of India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED):

(a) and (b) United Bank of India (UBI) has reported that no such instructions have been issued to the Regional Rural Banks (RRBs) sponsored by it. However, in respect of surplus funds of their RRBs in excess of funds maintained with UBI in current account, certain restrictions on acceptance of any further funds from the RRBs have been placed by the UBI on its branches. No approval of Government is necessary on such matters. The UBI has reported that restrictions have been prescribed so that the RRBs may lend their funds more for approved purposes instead of diverting their funds for deposits. RRBs earn 7.5 per cent per annum on funds kept in current deposits with UBI as against the interest of 13.5 per cent per annum earned against balances kept in short term deposit accounts for 15 days and above.

(c) The cost of deposits of RRBs sponsored by the UBI is 5.69 per cent.

Harassment of SC/ST officers in Gurgaon Gramin Bank

2592. SHRI ASHIS SEN: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received direct or through RBI or NABARD any complaints that the SC/ST staff of Gurgaon Gramin Bank (Haryana) Officers and non-officers are being harassed in the matter of transfers and postings and are being ill-treated;

(b) whether any enquiry has been undertaken in this regard and what is the outcome; and

(c) what steps have been taken for redressal of their grievances?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND